

**Testimony of
David McCartney
General Manager – Peninsula Fiber Network, LLC
SB400 (as amended)
January 1, 2018**

Committee Chair Hoytenga, Vice Chair Phelps and members of the House Communications and Technology Committee, my name is David McCartney and I am General Manager of Peninsula Fiber Network, LLC. I am here today to provide information about PFN's involvement with Next Generation 911 Network and Functionality Deployment, the incurred and estimated costs of to fund that deployment and the current MPSC review of those costs.

Next Generation 911 is many things but at its very basics it is a technology modernization of the 9-1-1 from ground zero to better handle modern communication methods such as smartphones and other internet protocol devices and it lays the foundation for exchanging large amounts of critical 9-1-1 incident information. Non-wireline devices now account for over 80% of the 911 call volume.

The FCC and other agencies have introduced initiatives to improve the 9-1-1 systems based on factors such as redundancy, resiliency and reliability of those 9-1-1 systems. I am proud to say that PFN's Next Generation 911 offering meets the 3Rs outlined in the FCC 13-158 report and order.

PFN is a service provider. We do not directly produce or manufacture technology. This means we must select a variety of equipment and software vendors to work with that adhere to the applicable industry standards. For Next Generation 911 Services, those standards are the end state NENA i3 standards. PFN is always evaluating whether the services we provide meet or exceed the quality of the service our customers expect. PFN's network design allows it to

change technology, update equipment, and change vendors as necessary to meet or exceed the applicable standards as those standards evolve and are adopted. Michigan customers for which PFN is providing Next Generation network services and functionality are experiencing some of the nation's highest levels and quality of 9-1-1 services available in the industry today while maintaining local control of those services.

Based on studies of incurred costs for Next Generation 911 that have been thoroughly reviewed and accepted by the Michigan Public Service Commission for twenty-nine counties who have moved over to PFN's Next Generation 911 service, the weighted average approved cost per person to provide Next Generation Network Services and Functionality is approximately \$0.215. This cost will be reduced to less than \$0.18 per person once startup costs are recovered. This rate compares favorably to other NG 9-1-1 projects throughout the country. Example data collected from other modern NG 9-1-1 networks projects.

South Dakota \$0.32 per population

North Dakota \$0.36 per population

Indiana \$0.14 per population **wireless service delivery only

Alabama \$0.18 per population. **Non fiber based service delivery

Tennessee \$0.32 per population

Massachusetts \$0.31 per population

Other surrounding states such as Illinois, Ohio, and Wisconsin are still under study on what to do for Next Generation 9-1-1 services. In the meantime, we are providing Michigan businesses and residents 9-1-1 services at a very high value to the public. This is achievable by being invested in Michigan's citizens as a company, and partnerships with Michigan's 9-1-1 industry,

telecom industry and IP transport communities to all provide leading 911 services at justifiable, reasonable and substantiated cost.

PFN's Cost Estimates 2018 to 2025

PFN's estimates (based on actual cost incurred to provide NG 911 service to 3,000,000 Michigan residence) that the cost to provide NG 911 Network and Functionality for all types of devices (wireline, wireless and other non-wireline) throughout the State of Michigan by December 31, 2019 and to continue providing those services will be:

<u>Calendar Year</u>	<u>Dollars</u>
2018	\$11,700,000
2019	\$20,100,000
2020	\$25,200,000
2021	\$25,000,000
2022	\$24,600,000
2023	\$23,400,000
2024	\$22,100,000
2025	\$21,300,000

It is important to note that no reimbursements have occurred based on estimated cost nor are any future reimbursements expected to occur based on estimated cost. PFN must first incur the expense, document that the expense did occur and show the cost incurred are reasonable and necessary to provide NG 911 Service and Functionality. It is only after that documentation and a thorough examination of PFN's information and reasoning by the MPSC does PFN receive an authorization to submit an invoice to the 911 fund.

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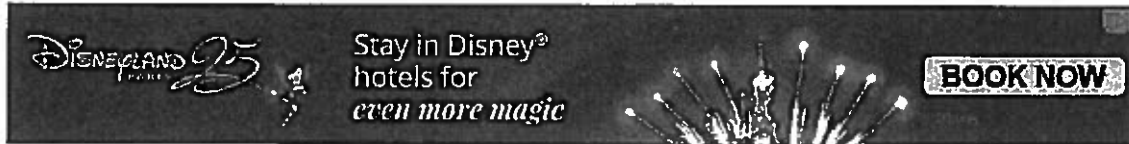
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Letter: Update state's 911 infrastructure

DetroitNews Published 11:10 p.m. ET Jan. 15, 2018



(Photo: Todd McInturf / The Detroit News)

Today's cellphones contain more computing power in a single device than the Apollo mission spacecraft used by NASA to go to the moon in 1969. We have the capability to do nearly anything with our phones today. We can Google any question, place a call, text, take photos, shoot video, and communicate any of these things with anyone in the world — except 911. The copper wires which connected old phones in the kitchen during the 1960s is the same infrastructure carrying your call to 911, and not much else. We have, to date, been modestly successful in patching this nearly five-decade old system so it works with modern technology, but it cannot continue to handle the bandwidth required for the way Michigan communicates today.

Michiganians have come to expect 911 to be able to find them. Just as the pizza delivery person can find them on their phone's pizza app; they expect to be able to located by a 911 call or a text to 911. As has been the

case in every tragedy since the Virginia Tech shooting, texts cannot always get through or be responded to. Yet, citizens expect to communicate in the same way they communicate with friends, neighbors, and businesses, but 911's 1960s infrastructure cannot handle these modern technologies. There is a solution, however. Senate Bill 400, currently in the Michigan House of Representatives would provide Michigan with a fiber optic 911 backbone which can handle any manner in which we choose to contact 911. This new system is called Next Generation 911.

STORY FROM PUBLIX

7 slow cooker recipes for fast weeknight dinners

(<http://www.usatoday.com/story/sponsor-story/publix/2018/01/09/delicious-dinners/109297778/>)

Next Generation 911 will help operators pinpoint a caller's location, allow texting to and from 911, and allow first responders to have as much information as possible while in route to the scene. As a result, 911 will be more efficient, will allow more informed responses to calls for service, and will result in safer communities in every part of Michigan. SB 400 needs to be passed for this to occur. This updated system will save lives. Please join us in urging the Michigan House of Representatives to pass SB 400 and make Michigan safer.

Anthony Wickersham, Macomb County sheriff

Michael Bouchard, Oakland County sheriff

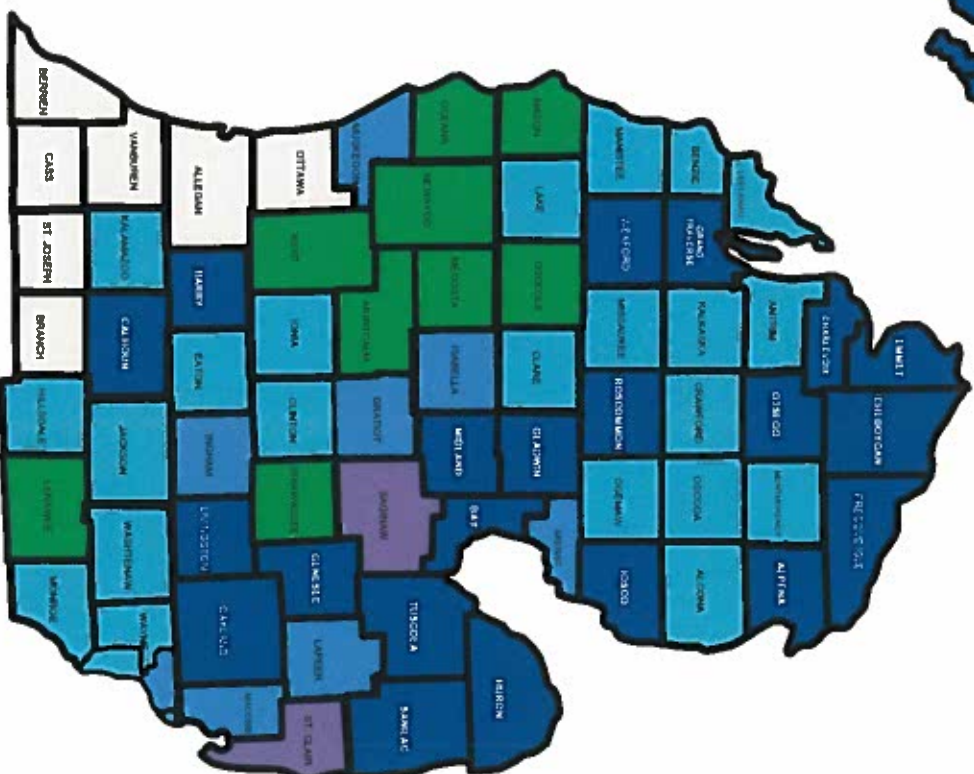
Benny Napoleon, Wayne County sheriff

James Craig, Detroit police chief

Robert Shelide, Shelby Township police chief

president, Southeast Michigan

Association of Chiefs of Police



- 36 Counties Cutover to PFN Next Generation 911 Services as of 1/15/18
- 9 Counties Scheduled for PFN Next Generation 911 Services 1/16/18 to 3/31/18
- 22 Counties Scheduled for PFN Next Generation 911 Services 4/1/18 to 12/31/18
- 2 Counties Scheduled for PFN Next Generation 911 Services in 2019
- In active negotiations with 7 Counties and 2 Service Districts to schedule PFN Next Generation 911 Services